

SENATE BILL 1105

By Yarbro

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 5; Title 6; Title 7; Title 68 and Title 71, relative  
to child care.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-1-130, is amended by adding the following as a new subsection:

(1) The department shall develop an enrollment-based alternative payments pilot program that seeks to provide adequate, stable payments to providers of day care services under this section by establishing effective payment practices based upon accurate time and attendance systems. The department shall implement the enrollment-based alternative payments pilot program beginning on January 1, 2022, and continuing through December 31, 2023.

(2) The department shall implement the enrollment-based alternative payments pilot program in a county having a metropolitan form of government with a population of more than five hundred thousand (500,000), according to the 2010 federal census or a subsequent federal census.

(3) The department shall establish program standards and criteria for the enrollment-based alternative payments pilot program. When developing program standards and criteria, the department shall consider the following:

- (A) The child's developmental and educational goals when authorizing care periods eligible for reimbursement;
- (B) Accommodation of variable parent schedules;
- (C) Authorizing pay based upon enrollment rather than attendance;

(D) Using a range of hours to determine authorized care amounts; and

(E) Simplifying and streamlining payment processes with providers.

(4) No later than February 1 following the conclusion of each calendar year of the pilot program, the department shall publish on the department's publicly accessible website an annual report on the status of the program. The content of the report must include, at a minimum:

(A) Methods the department has used in consideration of the factors listed in subdivision ( ) (3);

(B) A comparison of costs under the pilot program compared to estimated costs without utilizing the pilot program;

(C) Advantages and disadvantages of each method utilized in the pilot program; and

(D) Recommendations to the general assembly for improving provider payment methods in this state.

(5) The enrollment-based alternative payments pilot program terminates on December 31, 2023.

SECTION 2. For the purpose of rulemaking, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect January 1, 2022, the public welfare requiring it.